

4

**IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION**

SQUARE D. COMPANY and)
SCHNEIDER ELECTRIC, S.A.,)
)
Plaintiffs,)
)
vs.) No. 07 C 6294
)
ELECTRONIC SOLUTIONS, INC.,)
and WILLIAM AMBROS,)
)
Defendants.)

MEMORANDUM OPINION AND ORDER

Plaintiffs sued defendants, claiming that they were selling counterfeits of plaintiffs' electrical products that led to an agreed consent order for preliminary injunctive relief. That order prohibited the sale of any of plaintiffs' trademarked products prior to plaintiffs' inspection of defendants' inventory, no later than February 29, 2008, although that date was subject to adjustment.

The inspection did not take place until April 30, 2008. Plaintiffs were distressed to learn that defendants had continued to sell plaintiffs' trademarked products, that they had almost no inventory, that none of that was counterfeit, and that their sales records were sparse and disclosed very little. Believing that the consent order had been violated, plaintiffs moved to open discovery, to compel production of purchase and sales records, and for sanctions. We grant the motion to open discovery and to compel production, and we continue this motion for sanctions.

Defendants' response is that they thought that they could not sell plaintiffs' trademarked products until after February 29, 2008, but that they could after that date, and

that they ceased selling again after being told not to do so in April. They contend that they are a small enterprise that advertises lots of products but does not carry an inventory. Rather, they order from vendors to fill orders from their customers. They did not have much in electronic records, but do have other records, which they will produce.

Plaintiffs' reply rather persuasively attacks many of defendants' factual statements in their response, but we need not determine now whether or not a sanction is appropriate. Plaintiffs are entitled to discovery, defendants now concede. Defendants shall comply with outstanding discovery by August 2, 2008. We will deal with sanctions after discovery has been completed.



JAMES B. MORAN
Senior Judge, U. S. District Court

July 23, 2008.